Utilization of funds for special projects

3979. SHRITARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) the amount sanctioned by the foreign agencies for special projects during the last three years;

(b) whether it is fact that a large amount of financial assistance from foreign agencies have been utilized for salary/administrative expenses by the State Governments;

(c) if so, the details thereof; and

(d) the steps Government are taking for proper utilization of these funds granted for special projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No project has been defined as Special project. Total quantum of the foreign assistance authorized by various development partners for various projects during the last three years are as under:

(in Rs. Crore)

Year	Total foreign assistance authorized	
	Government Loans	Government Grants
2003-04	13916.78	2646.36
2004-05	22207.35	3173.77
2005-06	3090.61	1114.21

(b) to (d) Funds are spent in the project as provided in the project document. Some of the steps taken by the Government to improve aid utilization are ensuring adequate provisioning for budgets of State and Central Government, streamlining of procurement procedures, limiting consultancy costs to reasonable level, disintermediation of the flow of external aid to Central Public Sector Undertakings, strengthening of Project Monitoring Units in some States and Central Ministries, appointment of Nodal Officers for the States and regular review of projects etc.